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BEFORE THE POSTAL REGULATORY COMMISSION WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
FIRST-CLASS PACKAGE SERVICE CONTRACT 75
(MC2017-109)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2017-156

USPS NOTICE OF AMENDMENT TO FIRST-CLASS PACKAGE SERVICE CONTRACT 75, FILED UNDER SEAL

(June 29, 2018)

The Postal Service hereby provides notice that the prices and terms of First-Class Package Service Contract 75, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to First-Class Package Service Contract 75 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective two business days following the day that the Commission completes its review of this filing.

The Postal Service is also filing supporting financial documentation and a certified statement as required by 39 C.F.R. § 3015.5. The certified statement required by 39 C.F.R. § 3015.5(c)(2) is provided in Attachment B. A redacted version of the supporting financial documentation is included with this filing as a separate Excel file. The Postal Service's original application for non-public treatment in this docket is hereby incorporated by reference for the protection of these materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

Elizabeth A. Reed

475 L'Enfant Plaza, SW Washington, D.C. 20260-1137 (202) 268-3179 elizabeth.a.reed@usps.gov June 29, 2018

ATTACHMENT A

REDACTED AMENDMENT TO FIRST-CLASS PACKAGE SERVICE CONTRACT 75

AMENDMENT #1 OF SHIPPING SERVICES CONTRACT BETWEEN THE UNITED STATES POSTAL SERVICE

AND

REGARDING FIRST-CLASS PACKAGE SERVICE

WHEREAS, the United States Postal Service (the "Postal Service") and ("Customer") entered into a Shipping Services Contract, First-Class Package Service Contract 75/Docket No. CP2017-156 regarding First-Class Package Service on March 31, 2017.

WHEREAS, the Parties desire to amend the terms in Sections I.B, I.C, I.G, including Tables C and D, I.H and Section III of the Contract, and to add Section I.J to the Contract.

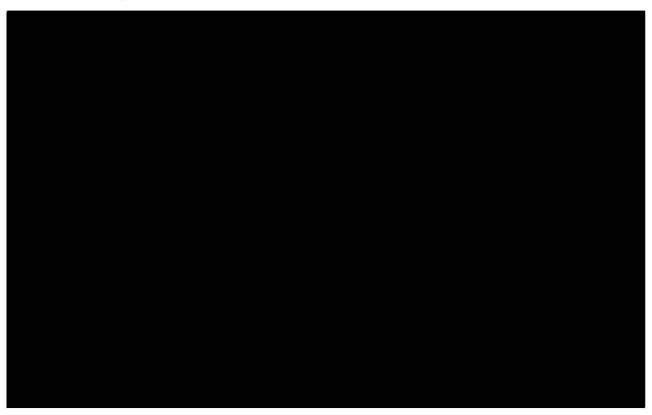
NOW, THEREFORE, the Parties agree that the contract is hereby amended as detailed below. The existing contract remains unchanged in all other respects. This amendment shall become effective two (2) business days following the day on which the Commission issues all necessary regulatory approval.

[Replace Sections I.B, I.C, I.G, Tables C and D, I.H and Section III, in their entirety, and to add Section I.J, as follows.]

I. Terms

- B. This Contract applies to Customer's outbound and inbound First-Class Package Service Commercial packages ("Contract Packages").
- C. Customer will manifest Contract Packages as specified by the Postal Service, using a separate permit number and/or PC Postage account to ship such packages, and will use the Electronic Verification System ("eVS"), other USPS approved manifest systems, or USPS approved PC Postage vendors for payment of such packages. Customer shall provide the Postal Service, in writing, a list of its permit numbers and/or PC Postage accounts for approval. Contract pricing for any newly approved permits and/or PC Postage accounts will be effective within fifteen (15) business days after the Postal Service receives written notification from Customer. Only Contract Packages, and Customer's other First-Class Package Service Commercial packages ("Total Packages"), shipped from authorized permits and/or PC Postage accounts shall count toward the volume commitment in Section I.E below.

- G. Contract Package Prices. Customer shall pay prices found in Tables C and D for its Contract Packages, as follows:
 - 1. From the effective date of this Amendment through December 31, 2018, Customer shall pay Tier 2 prices for its Contract Packages pursuant to Table D.
 - 2. Beginning January 1, 2019 and for subsequent Contract Quarters, Contract Package price tiers will be determined by quantity of Total Packages shipped in the previous Contract Quarter, pursuant to Table B.
 - 3. The Postal Service will monitor Customer's volume of Contract Packages, and within fifteen (15) calendar days after the start of each Contract Quarter will notify Customer of the applicable tier for that Contract Quarter based on Table B with corresponding prices found in Tables C through D below. Tier price changes will be effective within fifteen (15) calendar days after the start of each Contract Quarter. Discounted prices will be calculated by the Postal Service and rounded up to the nearest whole cent.
 - 4. If the volume in any Contract Quarter, throughout the term of this Contract, falls below the minimum quarterly volume set for Tier 1 pricing, the Postal Service at its sole discretion has the right to revert Customer to the most current First-Class Package Service Commercial prices for the subsequent Contract Quarter.





H. Price Adjustments

- 1. For subsequent years of the Contract, on each anniversary of the Contract's effective date, customized prices under this Contract will be the lesser of: (a) the previous year's prices plus the most recent (as of the anniversary date) percentage increase in prices of general applicability for First-Class Package Service Commercial, as calculated by the Postal Service, or (b) the previous year's prices plus
- Customized prices for the subsequent years will be calculated by the Postal Service and rounded up to the nearest whole cent. If the Postal Service maintains or decreases published rates of applicability for First-Class Package Service - Commercial, there shall be no change to Contract pricing for that Contract Year.
- J. Record Keeping and Audit. Customer shall respond to the Postal Service's or its designated auditor's quarterly and/or yearly transaction confirmations related to Postal Service transactions; and such other assistance as required by the Postal Service or its designated auditors in connection with Customer's performance under this Contract.

III. Expiration Date and Termination

UNITED STATES POSTAL SERVICE

This Contract shall expire five (5) years from the effective date, unless (1) terminated by either Party with thirty (30) calendar days' notice to the other Party in writing; (2) renewed by mutual agreement in writing; (3) superseded by a subsequent contract between the Parties; (4) ordered by the Commission or a court; or (5) required to comply with subsequently enacted legislation.

If, at the conclusion of this Contract term, both Parties agree that preparation of a successor SSC is active, this SSC will be extended for up to two (2) ninety (90) calendar day periods with official notification to the Commission at least seven (7) calendar days prior to the Contract's expiration date. Upon both Parties agreement of the extension, the escalation clause will be implemented in Section I.H, throughout the extension period.

IN WITNESS WHEREOF, the Parties hereto have caused this amendment to be duly executed as of the later date below:

| Signed by: | |
|--|---|
| Printed Name: Dennis Nicoski | |
| Title: Senior Vice President, Sales and Customer Relations | |
| Date: 06/13/18 | |
| Date. | |
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ATTACHMENT B FINANCIAL CERTIFICATION

Certification of Prices for Amendment to First-Class Package Service Contract 75

I, Steven R. Phelps, Manager, Regulatory Reporting and Cost Analysis, Finance Department, am familiar with the prices and terms for the amendment to First-Class Package Service Contract 75. The amended prices and terms contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors' Decision No. 11-6).

I hereby certify, based on the financial analysis provided herewith, that the amended prices are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). They are expected to cover attributable costs. There should therefore be no subsidization of competitive products by market dominant products. The amended contract should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

Steven Phelps

Digitally signed by Steven Phelps
DN: cn=Steven Phelps, o=Pricing and
Costing, ou=Pricing,
email=steven.r.phelps@usps.gov, c=US
Date: 2018.06.28 17:41:03 -04'00'

Steven R. Phelps